

# **Credentials for Accounting Professors: Faculty's Opinions**

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## **Abstract**

This study examines faculty perceptions of the value, relative to the role of accounting faculty, of the CPA license, other professional accounting certifications, and educational credentials. It examines faculty beliefs about students' perceptions of the value of those credentials. It also identifies the professional accounting and educational credentials of accounting faculty, as displayed on the websites of New Jersey's public and private colleges and universities. One hundred and seventy nine faculty members were asked to participate in an online, anonymous survey. The data collected in this study indicate that accounting faculty may not appreciate the value that credentials other than their own bring to the role of accounting professor. This study adds to the body of knowledge by highlighting this unexplored issue that may contribute to the divide between accounting practitioners and academia. The results, in this regard, must be considered preliminary and there is the need for replication on a larger scale.

## **Background**

The practice of deploying an accounting faculty composed of those with educational credentials, specifically doctorates in accounting, and those with professional accounting credentials has evolved to a preference for those with doctorates and research expertise (Fogarty & Black, 2014; The Pathways Commission, 2012). Research, in most cases, is a requirement for a tenure-track position and has been increasingly driven by the academic culture and business school accreditation requirements. Faculty members with doctorates may deem the Certified Public Accountant (CPA) license and other professional accounting credentials to have little bearing on what they need to be successful (Fogarty & Black, 2014; The Pathways Commission, 2012). The Pathways Commission on Accounting Higher Education (Pathways Commission) wrote, "Over the past 40 years, the academy has incrementally and unknowingly created a bilateral faculty system with research on one side of the aisle and teaching and service on the other side" (The Pathways Commission, 2012, p. 110). An unintended outcome of this emphasis on accounting faculty research expertise may have expanded rather than narrowed the gap between accounting practitioners and academia.

The divide between accounting practitioners and academia has been well documented and explored by the Pathways Commission (2012) and others (Fogarty & Black, 2014; Boyle, Carpenter, Hermanson, & Mero, 2015; Njoku, van der Heijden, & Inanga, 2010). Fogarty and Black (2014) believe that doing nothing about the divide is not an option. The decrease in professional certification of tenure track faculty is only the tip of the iceberg. There is no guarantee that faculty with professional certifications will infuse learning with real life experiences, however faculty without professional experience cannot bring practice credibility to the classroom.

## Purpose of this Study

The purpose of this study is to examine faculty perceptions of the value, relative to the role of accounting professor, of the CPA license, other non-CPA professional accounting certifications, and educational credentials, as well as faculty beliefs of students' perceptions of the value of those credentials. In addition, the professional accounting and educational credentials of accounting faculty teaching at New Jersey's public and private not-for-profit colleges and universities in 2016 and 2017, as displayed on the educational institutions' websites, are identified and considered.

## Literature Review

### *Role of the CPA*

The CPA has an essential and unique role in the economic well-being of the United States. David M. Walker, former Comptroller General of the United States, stated, "Public and investor confidence in the fairness of financial reporting is critical to the functioning of our capital markets" (Walker, 2002, p. 3). Federal securities laws require all public companies to have an independent annual financial statement audit and licensed CPAs have the exclusive right to perform those audits. Non-public entities also have many reasons to obtain an independent annual financial statement audit, for example for compliance with lending agreements, to meet regulatory mandates, and for internal governance purposes. An audit of financial statements provides assurance on the reliability of the financial information because of the independent and objective examination of the supporting data by a qualified and licensed professional, resulting in more efficient capital market allocation of resources (Walker, 2002, p.4).

### **Earning and Maintaining a CPA License**

CPA licenses are issued, renewed, and monitored by boards of accountancy in each United States jurisdiction (50 states, five territories and protectorates). While the requirements to obtain the CPA license differ from jurisdiction to jurisdiction, they generally include three aspects: education, experience, and successful completion of the Uniform Certified Public Accountant Examination (CPA Exam). The CPA Exam, designed by the American Institute of Certified Public Accountants (AICPA), is used by all United States jurisdictions to measure a candidate's competence and readiness to serve the public interest.

Earning a CPA license is a challenging, multi-year endeavor. For example, to obtain a CPA license in New Jersey, under rules effective July 1, 2017, a candidate must have the following: (a) bachelor's degree in any field of study from an accredited college or university; (b) 24 higher education credit hours in accounting courses; (c) 24 higher education credit hours in other business courses; (d) successful completion of the 16 hour uniform CPA Exam; (e) 150 higher education credit hours in total; and (f) one year of work experience under the supervision of an actively licensed CPA (NJ Adopts New Education Requirements to Become a CPA, 2015).

For accounting faculty with educational credentials but no work experience, 60 percent of United States jurisdictions allow academic experience to be substituted for work experience to meet the CPA licensing requirement (This Way to CPA, 2017). Once licensed, continuing professional education is required to maintain the license. For example, in New Jersey, CPAs must obtain 120 hours of continuing professional education in each triennial period.

### *Non-CPA Professional Accounting Credentials*

There are a number of other accounting related professional certifications offered by professional organizations that accountants can obtain by meeting designated criteria that usually includes aspects of education, experience, and successful completion of an examination. Amstutz (2014) states that employers regard the CPA license as the top credential for accounting and finance. Other accounting certifications that are well regarded by employers include, but are not limited to, Certified Information Systems Auditor (CISA), Certified Internal Auditor (CIA), Certified Management Accountant (CMA), Chartered Financial Analyst (CFA), and Chartered Global Management Accountant (CGMA). These credentials demonstrate an accountant's qualifications, including education, experience, and knowledge. They communicate to clients, students, and society that the holder has the requisite knowledge and a commitment to lifelong learning.

### ***Who Teaches Accounting***

In 2012 the Pathways Commission, a joint effort between the American Accounting Association (AAA), the largest professional organization of accounting academics, and the AICPA, the largest organization of professional accountants, issued a report titled *The Pathways Commission on Accounting Higher Education: Charting a National Strategy for the Next Generation of Accountants* (Pathways Report) (The Pathways Commission, 2012). In this report it was observed that there has been a noticeable shift in the experience and educational backgrounds of accounting faculty. The Pathways Commission reported:

For the vast majority of faculty hired prior to the early 1990s, their resumes included significant professional experience. Over the last 20 years, academic culture has changed, and the vitae of many new-generation faculty members reflect the expectations of their institution and focus primarily on research, lacking any significant business or practice experience. (The Pathways Commission, 2012, p. 29)

This statement is supported by Fogarty and Black's (2014) longitudinal study that examined the extent to which the percentage of accounting faculty with practice credentials had changed from 1990 to 2012. The percentage of accounting faculty holding professional credentials peaked in 1995 at 72.1 percent. The percentage dropped to 60.5 percent by 2011-2012. The decline in practice credentials among faculty is more prevalent at elite universities that offer doctoral degrees in accounting. Their study concludes that the institutional choice to stress research creates urgency for faculty to display superior capabilities in academic research rather than classic applied accounting knowledge. In addition, they found declines in accounting faculty maintaining their CPA active status.

The demand for accounting faculty with doctoral degrees far outstrips the supply. Enrollment in accounting programs at all levels; bachelor's, master's and Ph.D., in the United States increased approximately 50% from the 2003-2004 academic year to the 2013-2014 academic year. Enrollment in Ph.D. accounting programs increased at half that rate, approximately 25%, from 955 Ph.D. students in academic year 2003-2004 to 1,195 Ph.D. students in academic year 2013-2014. (American Institute of CPAs, 2015, p. 7)

With colleges and universities facing a growing shortage of doctoral-qualified accounting faculty, salaries have been increasing. However, the requirements for tenure and promotion have also increased, including the demand to do more research, a time-consuming endeavor (Beyer, Herrmann, Meek, & Rapley, 2010). In a study that included 5,000 doctoral-qualified accounting faculty over a 30-year period, investigators found that on average a researcher published one article every three years (Zivney, Bertin, & Gavin, 1995). With the time that must be devoted to academic research, along with teaching responsibilities, accounting faculty members may have little time to devote to other professional endeavors.

Providing smaller teaching loads offers time to do research. For example, top-tier research oriented accounting faculty is primarily employed to conduct research. Their teaching loads are usually two courses per year while second-tier research oriented accounting faculty have a three-course load. The accounting faculties at smaller regional universities teach six to eight courses per year (Beyer et al., 2010).

The accounting profession recognizes the divide between accounting practitioners and academics. Bridging the gap between academia and accounting practitioners is a pervasive theme of the seven recommendations for advancing and improving accounting education offered in the Pathways Report (The Pathways Commission, 2012). In one initiative to address the divide, in June 2014, the Pathways Commission set forth best practice based principles that colleges and universities could use to engage and leverage professionally oriented accounting faculty. The Pathways Commission asked that colleges and universities formally pledge to adopt the principles for fully integrating professionally oriented accounting faculty (The Pathways Commission, 2014a, June). As of May 2016, 22 institutions had formally adopted the principles (American Accounting Association, n.d.). The number of pledges fell far short of the Pathways Commission goal of recruiting 100 institutions to the pledge (The Pathways Commission, 2014b, August, p. 2).

Njoku et al., (2010) defined the “exemplary accounting faculty member” as one who, among other characteristics “demonstrates highly qualified knowledge and skills pertaining to both research and practice” (p. 60). They suggest that a “fusion of expertise” can be achieved if the accounting academic gets exposed to practice or the accounting professor who holds professional credentials gets research experience (p. 60). Interested parties, such as the AAA, AICPA, and large accounting firms, have offered various programs with the objective of encouraging fusion, for example boot camp for auditing professors who have no audit experience, summer internships for professors at CPA firms, and support for more practice oriented research.

### ***What Students Think***

Buchholz, Kass, and Robinson (2014) surveyed accounting students in a large urban public college in 2012 to determine students’ perception of accounting professors with a CPA and professional experience versus accounting professors with a Ph.D. and limited professional experience. With 423 usable responses from a population of approximately 1,200 accounting students the researchers concluded “most students believe that their professors’ credentials did not matter” (p. 46) yet several of the findings indicated a preference for the professor who holds a CPA license. The students surveyed “overwhelmingly said that they believe that an accounting professor should have passed the CPA exam” (p. 46) and when asked to recall their best professor 78.3 percent of those surveyed named a professor with a CPA while only 23.6 percent named a professor with a Ph.D. (p. 45). When asked if it mattered if a professor possessed a CPA license or a Ph.D., 23.0 percent of those surveyed said a Ph.D. mattered while 53.2 percent of those surveyed said a CPA mattered (p. 45).

Tapis (2016), a doctoral-qualified accounting professor at a private four-year college, reported that his students frequently asked him why he was not a CPA. This prompted him to take the CPA Exam. He states that taking the CPA Exam taught him that significant preparation is required in order to successfully pass the exam and one should not underestimate the exam’s difficulty. Tapis reports that after taking the CPA Exam he made changes to his teaching to provide students with more exposure to and practice with CPA Exam topics and problems.

The AICPA tracks data regarding the overall number of accounting graduates from United States colleges and universities and the number of graduates choosing to sit for the CPA Exam. While the number of accounting graduates has grown, the number of people taking the CPA Exam has not exhibited commensurate steady growth. The declining number of candidates sitting for the CPA Exam, both in terms of real numbers and in terms of percentage of accounting graduates, is a matter of serious concern for the profession. The Chief Executive Officer (CEO) of the AICPA, Barry Melancon, stated, “It is critical that we’re producing enough CPAs to replace the retiring baby boomers and that the profession is continuing to meet the ever-changing needs of the U.S. capital markets” (AICPA, 2015, para. 5). Professors holding a CPA license can create opportunities to act as role models for students and provide encouragement and training for them to become CPAs. For example, Tapis (2016) reported modifying his curriculum to emphasize CPA Exam preparation after he completed the CPA Exam.

### ***Accreditation***

To demonstrate excellence and remain competitive, colleges and universities may seek specialized, discipline-specific accreditation by non-governmental, private organizations. For business schools, accreditation from the Association to Advance Collegiate Schools of Business (AACSB) is considered the gold standard.

AACSB International (2016) points out that specialized, discipline-specific accreditation is directly relevant to accounting education because the National Association of State Boards of Accountancy recommends that states differentiate between AACSB accredited and non-AACSB accredited schools in their CPA Exam education requirements. Seventeen states have adopted some form of recognition of the accreditation status of an applicant’s school in determining what and how many accounting and business credits an applicant needs to be eligible to sit for the CPA Exam.

Accreditors set standards for various aspects of a business program including faculty qualifications. Arlinghaus (2002) found that colleges and universities moving towards AACSB standards for accounting accreditation have shown an increase in scholarly publications. Unfortunately, the byproduct of increased research activity can move

accounting faculty away from professional interaction. More importantly, the accounting faculty reported that professional interaction was less important than publishing to the colleges and universities for salary, promotion, and tenure decisions. Nelson (1995) reported that accounting faculty tend to develop a narrow focus for their research and classes. Therefore, the expectation that they know subject matter outside of their specialized area may be unrealistic. This is a concern when the accounting profession is demanding a broader education for accounting students.

### **Methodology**

This study has two aspects. First, accounting faculty were surveyed regarding their own credentials, their opinion regarding the importance of various credentials for an accounting professor, and their beliefs regarding students' opinion about the value of the various credentials for a faculty member. Second, examination of the academic and professional accounting credentials of the study population were garnered from each higher education institution website and tabulated.

The accounting faculty teaching at the New Jersey's colleges and universities that offer undergraduate accounting programs were selected as the population for this small-scale study. New Jersey is ranked as the 11<sup>th</sup> most populated state with about nine million residents. The "Big Four" CPA firms all have multiple offices in New Jersey. Also 28 Fortune 500 companies have offices throughout the state (Accounting Degrees in New Jersey, 2017). New Jersey's state colleges and universities represent a convenient population for a small-scale study all within the geographically small state of New Jersey.

All of the New Jersey higher education institutions included in this study, with one exception, possess specialized, business discipline-specific accreditation. As of fall 2017, 13 of the 17 institutions in this study had AACSB accreditation. Two had a business discipline-specific accreditation from the Association of College Business Schools and Programs (ACBSP) and one has a business discipline-specific accreditation from the International Accreditation Council for Business Education (IACBE). AACSB and ACBSP each offer a separate, additional, accounting program accreditation available to institutions that hold their respective business program accreditation. As of fall 2017, Rider University and Seton Hall University had the AACSB Accounting Accreditation. All institutions in the study also have institutional accreditation from The Middle States Commission on Higher Education.

The higher education institutions included in the study are listed in Table 1. The group includes both public and private not-for-profit institutions; three public research universities, seven of New Jersey's eight public colleges and universities, and the seven private, not-for-profit colleges and universities in New Jersey that offer an undergraduate accounting program. One New Jersey public institution, Thomas Edison State University, did not have its accounting faculty listed on their website and was therefore excluded from the study. One hundred and seventy-nine accounting professors were identified from the institutions' websites.

### ***Identifying Accounting Faculty and Credentials***

The academic and professional accounting credentials of the study population were gathered from the faculty profiles or faculty biographies shown on the respective institution's websites. The institution websites were deemed to be the most reliable, valid, and up-to-date source. Another reason for using the institutions' websites was to observe how each institution displayed academic and professional credentials. The information selected for display is an indication of what the institution and the faculty member consider most relevant and important. The faculty profile or faculty biography would be the most likely place for a student, parent, or other interested party to learn about a faculty member. Only the information provided in the faculty profile or biography shown on each institution's website was used, faculty members' curriculum vitae were not consulted.

### *Survey*

The accounting educators' names and contact information were obtained from their institutions' websites, in January 2016 for the public institutions, and in November 2017 for the private institutions. The researchers obtained the approval of their university's Institutional Review Board for this study.

The accounting faculty members were asked to participate in an online survey regarding

- their academic and professional accounting credentials,
- their opinion regarding the importance of an accounting professor holding a doctoral degree, a CPA license, and other non-CPA professional accounting credentials, and
- their opinion regarding accounting students' perception of the importance of an accounting professor holding a doctoral degree, a CPA license, and other non-CPA professional accounting credentials.

The faculty at the public institutions was surveyed in spring 2016. An email explaining the purpose of the research, requesting participation, and containing a link to the online survey was sent. Two follow-up emails to encourage participation were sent, one in mid-February 2016 and one in mid-April 2016. The faculty at the private not-for-profit institutions was surveyed in fall 2017. An email explaining the purpose of the research, requesting participation, and containing a link to the online survey was sent to them in mid-November 2017. Two follow-up emails to encourage participation were sent, one in beginning of December and one in mid-December 2017.

Responses were made anonymously. The survey used 13 questions to collect basic demographic, education, professional credentials, and opinion data. The survey is included as Appendix A.

## **Results**

### *Survey Responses*

Forty-three people responded to the survey, a 24.0 percent response rate. The respondents' self reported regarding their credentials. Of the 43 respondents, 41 teach full-time and two teach part-time. As shown in Table 2 there are 34 CPAs among the respondents. Five CPAs also have law degrees. Thirteen CPAs also have a doctoral degree; eleven of the doctoral degrees are a Ph.D. and two are doctorates in business administration (DBA). Additionally, two of the nine CPA-PhDs reported having a DBA in addition to a Ph.D. Eight respondents have a doctoral degree and no CPA license. One respondent has neither a CPA license nor a doctoral degree.

Sixteen respondents have at least one non-CPA professional accounting credential and, in total, these respondents hold 28 non-CPA professional accounting credentials. The two most prevalent non-CPA accounting credentials are the Certified Management Accountant (CMA) designation (n=7) and the Chartered Global Management Accountant (CGMA) designation (n=7). The third most prevalent certification is the Certified Fraud Examiner (CFE) designation (n=4). Table 3 provides a description of the various non-CPA professional accounting credentials held by the respondents.

New Jersey public institutions are classified by the state as either Public Research Universities or as Public Colleges and Universities. Survey participants from public institutions self-identified as to the type of institution in which they were employed. There were 17 respondents from Public Research Universities and 18 respondents from Public Colleges and Universities. While overall 77.1 percent of the public institution respondents have a CPA license and 57.1 percent have a non-law doctoral degree, the credential mix varied by the type of institution. Of the respondents from Public Research Universities 64.7 percent have a CPA license and 52.9 percent have a non-law doctoral degree. Public Colleges and Universities had the highest percentage of respondents with a CPA license, 88.9 percent; 44.4 percent of Public Colleges and Universities respondents reported having a non-law doctoral degree. There were eight respondents from the Private not-for-profit Colleges and Universities. They were not asked to specify their institutions' research orientation. Among the respondents from the private not-for-profit institutions all but one is a CPA. The one respondent without a CPA has a Ph.D. Of the respondents with CPAs, two have Ph.Ds, and one has a law degree in addition to the CPA.

***Perceptions of Importance of Various Credentials***

The majority of respondents, 81.4 percent, found it important for an accounting professor to be a CPA (with their license either in active or inactive status), 2.3 percent found it unimportant, and 16.3 percent were undecided. Table 4 Panel A presents the responses to this question grouped by respondents' educational and professional accounting credentials. While the vast majority (81.4%) thought it important for an accounting professor to be a CPA, respondents with a Ph.D. and no CPA were much less likely to find it important. Only 37.5 percent of those with a Ph.D. and no CPA perceived the CPA credential as being important for an accounting professor.

Slightly more than half of the respondents, 51.2 percent, found it important for an accounting professor to hold a doctoral degree, 25.6 percent found it unimportant, and 23.3 percent were undecided. Table 4 Panel B presents the responses to this question grouped by respondents' educational and professional accounting credentials. Of those with a Ph.D. or DBA, 75.0 percent found that it is important for an accounting professor to have a doctoral degree. While 12.5 percent of CPAs who did not have a doctoral degree found it important for an accounting professor to have a doctoral degree.

Regarding the importance of an accounting professor holding a professional accounting credential other than a CPA, 46.5 percent found it important, 20.9 percent found it unimportant, and 32.6 percent were undecided. The responses to this question grouped by respondents' educational and professional accounting credentials are presented in Table 4 Panel C.

***Faculty perceptions on what students think is important***

The majority of respondents, 95.3 percent, believe that students think that it is important for an accounting professor to have a CPA (with the license in either active or inactive status). Regarding the doctoral degree, 31.7 percent believe that students think it is important for an accounting professor to have a doctoral degree. Fewer respondents, 24.3 percent believe that students think it is important for an accounting professor to have non-CPA professional accounting credentials. Table 5 displays faculty perceptions on student opinions.

***Accounting Faculty Credentials from Institutional Websites***

Email addresses for 179 accounting professors at the 17 New Jersey colleges and universities were available and were sent surveys. However, biographies or faculty profiles for only 154 of the professors were found. Two of the State College and University websites did not provide faculty biographies or profiles and information were not available for several faculty members at other institutions. Table 6 provides a summary of credentials for 154 of the 179 faculty members in the study population. The accuracy and completeness of the information included in the faculty biographies and profiles found on the institution websites has not been confirmed. It is possible that faculty biographies or profiles were incomplete, particularly with regard to professional accounting credentials that were sometimes difficult to locate. The formats used by the educational institutions for profiles or biographies generally included a specific section for educational credentials while professional accounting credentials were displayed in a variety of manners and locations.

Public Research Universities had the highest percentage of professors holding doctoral degrees, 76.8 percent compared to 73.0 percent at Private Colleges and Universities, and 62.0 percent at the State Colleges and Universities. The State Colleges and Universities had the highest percentage of professors with CPA licenses, 46.0 percent, compared to 37.5 percent at Private Colleges and Universities and 26.8 percent at the Public Research Universities.

The self-reported credentials held by the 43 respondents to the survey, when compared to the population data (see Table 6), indicate that those with CPA licenses were overrepresented in the respondent group. Of the 154 accounting professors included in Table 6, 36.4 percent (56) were CPAs. Among the 43 respondents, 79.1 percent (34) were CPAs.

**Discussion**

### ***Disconnect Between CPA and Ph.D Accounting Professors***

The data collected in this study indicate that accounting faculty may not appreciate the value that credentials other than their own bring to the role of accounting professor. This study adds to the body of knowledge by highlighting this unexplored issue that may contribute to the divide between accounting practitioners and academia.

While 81.4 percent of all respondents were of the opinion that it is important for an accounting professor to be a CPA, only 37.5 percent of respondents with a doctorate and no CPA, thought it important for an accounting professor to be a CPA. The percentage of respondents that believe it is important for an accounting professor to be a CPA (81.4%) parallels the percentage of CPAs in the sample (79.1%) so it is not surprising that they consider a CPA important. What is of note though is the lack of regard that those without a CPA license have for its importance to an accounting professor.

Respondents who have a CPA license but no doctoral degrees also show this lack of regard for a credential other than their own. While 51.2 percent of all respondents were of the opinion that it is important for an accounting professor to have a doctoral degree, only 12.5 percent of respondents with a CPA and no doctorate, thought it important for an accounting professor to have a doctorate.

Much attention has been paid to the disconnection between accounting practitioners and academia (Fogarty & Black, 2014; Boyle et al., 2015; Njoku, van der Heijden, & Inanga, 2010). The accounting profession has recognized that, in academia, professionally oriented faculty are not always fully integrated into the accounting programs in which they teach. The Pathways Commission went so far as to recommend that institutions of higher learning take a pledge to give professionally oriented faculty more equal footing with colleagues holding doctorates but the response to this initiative was poor (The Pathways Commission, 2014a; American Accounting Association, n.d.).

The AACSB too has made efforts to bolster recognition of the value of professionally oriented faculty. The AACSB's revised standards, approved in 2013, make a place for professionally oriented faculty that AACSB defines as people who decide to teach after a career as a practitioner and who engage in scholarly activities (Trapnell & Showalter, 2015). The newer standards recognize these individuals as higher-level contributors to the qualified faculty than was true under the earlier AACSB standards.

The findings of this study show CPAs identify an aspect of the reason by professionally oriented accounting faculty is not fully integrated in academia; there is a divide between within the faculty, between those with doctorates and those with professional credentials. The lack of appreciation for credentials other than one's own may be the result of a lack of understanding as to what each type of training and experience brings to the work of accounting faculty. This is borne out by the fact that the thirteen respondents that have both a CPA license and a doctorate found both credentials to be important: 100 percent of them found the CPA license important and 84.6 percent found the doctorate important.

### ***Giving Professional Accounting Credentials Equal Billing***

Colleges and universities maintain faculty profiles or biographies on their websites. This information is available to all stakeholders and may be of particular interest to students and their parents who are choosing a school. On their websites the colleges and universities are promoting the accomplishments of their faculty. The websites reviewed in this study always had a faculty member's education prominently displayed. However, professional accounting credentials including the CPA license, in all but one case, were not given equal billing in the credential display.

Within a business program the format for faculty profiles or biographies is generally standardized. On the websites visited, the standardized formats provide no specific place to include the CPA license and so it was not always easy to locate those with the CPA credential. In line with other research findings (Buchholz et al., 2014), survey respondents overwhelmingly agreed that the CPA license is important for an accounting professor and stated that they believe that students find the CPA important for a professor. Accounting programs and accounting professors with CPA licenses should include that credential, consistently, in a prominent location in faculty profiles or biographies,



so that prospective students and others can readily identify them as having practical knowledge of accounting and auditing.

### ***Ambivalence Regarding Non-CPA Professional Accounting Credentials***

While 16 of the survey respondents hold at least one non-CPA professional accounting credential, overall the respondents seemed ambivalent to the value of such credentials for an accounting professor, 46.5 percent found it important and 32.5 percent were undecided on the importance. Only 23.2 percent of respondents believe that students find such credentials important. Given that these non-CPA credentials relate to an area of specialization while an undergraduate accounting program is general, it is perhaps understandable that non-CPA accounting credentials are not highly valued. Nonetheless, for a professor, having additional professional certifications implies specialized knowledge and the credentials should be prominently displayed along with the CPA license. Professors with specialized practice credentials have a unique opportunity to share knowledge with students and to open students' eyes to the variety of career opportunities available to accountants.

### **Limitations**

Participants in the study are not a representative sample of the population. A comparison of the self-reported education and professional accounting credentials of the respondents to the population indicate a disproportionality large response by those with CPA licenses. For this small-scale study, the population was limited to public and private not-for-profit New Jersey colleges and universities with undergraduate accounting programs. The results of this study cannot be generalized to other higher educational institutions. The sample size is too small, in terms of grouping by respondents' educational and professional credentials, to allow for the determination of statistical significance of observations by sub-group. Thus the results, in this regard, must be considered preliminary and need replication on a larger scale. Despite these limitations, this research bring to light an unexplored aspect of the divide between accounting practitioners and academia, the issue of a lack of respect, by professors, for the value that credentials other than their own bring to the role of the accounting professor.

### **Future Study**

The need to expand the survey to test the validity of the conclusions is evident. This study should be expanded to faculty at other colleges and universities in a broader audience. With a larger sample of faculty, a more rigorous analysis of results would be possible, including determination of the statistical significance of observations by sub-group. Results by Carnegie classification or by accounting degree offered could be considered. A survey of faculty within an institution could be compared with a corresponding survey of students within the same institution on their perceptions of the value of having faculty with doctoral degrees and professional accounting certifications.

Qualitative research methods, such as interviews and focus groups, should be considered for delving into the reasons for the divide between doctoral-qualified and professionally credentialed faculty.

### **Conclusion**

The results of this study provide insight regarding faculty's perceptions of academic and professional credentials and the role of the accounting professor. Further investigation on the divide within accounting departments between those with educational credentials and those with professional credentials should focus on ways of narrowing that divide and strengthening the accounting curriculum for better-prepared accounting graduates entering the profession as practitioners. One relatively easy but meaningful way for colleges and universities to demonstrate their recognition of the value of professionally oriented accounting faculty is to display CPA licenses and other professional credentials prominently in faculty profiles or biographies on their websites.

Professionally oriented faculty can serve as a bridge between academia and practitioners. For example, faculty with practice credentials are more likely to be members of state accounting societies where professional issues are discussed (Boyle et al., 2015; Buchholz et al., 2014; Fogarty & Black 2014). Having such disparity in opinions of

value for others' credentials is not conducive to a unified faculty approach to educating the next generation of accountants. For "fusion of expertise" (Njoku et al., 2010, p. 60) to become a regular aspect of the accounting professoriate, the teaching academic and the professionally oriented faculty member must acknowledge the value of each type of credential, the experience and knowledge it represents, and what each credential brings to the enterprise.

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## Appendix A

## Faculty Perceptions Regarding the Role of Professional Accounting Credentials for Accounting Faculty

## Faculty Survey Questions

1. Which of the following categories best describes your current academic employment status?
  - a. Full time teaching, tenured or tenure-track
  - b. Full time teaching, not tenured or tenure-track
  - c. Part-time teaching
  
2. Which of the following categories describes your academic institution?
  - a. Public research university
  - b. State college or university
  
3. Which of the following categories of accounting courses have you taught in the past five years? Select all that apply.
  - a. Financial, Managerial, Intermediate, Cost, Government, Non-profit, Advanced Accounting, and/or Auditing
  - b. Tax
  - c. Technology and/or Finance courses specifically for accounting students
  - d. Supervised Accounting Internships and/or Cooperative Education
  - e. Other category of Accounting Course(s) – specify \_\_\_\_\_
  - f. I do not teach accounting courses or have not taught accounting courses in the past five years (If this is your answer please do not complete the balance of the survey)
  
4. Which of the following professional credentials do you hold and maintain as active? Select all that apply.
  - a. Certified Public Accountant (CPA)
  - b. Chartered Financial Analyst (CFA)
  - c. Certified Management Accountant (CMA)
  - d. Chartered Global Management Accountant (CGMA)
  - e. Certified Information Systems Auditor (CISA)
  - f. Certified Internal Auditor (CIA)
  - g. Other – provide name of credential \_\_\_\_\_
  - h. None
  
5. Which of the following professional credentials have you held at one time and no longer maintain in an active status? Select all that apply.
  - a. Certified Public Accountant (CPA)
  - b. Chartered Financial Analyst (CFA)
  - c. Certified Management Accountant (CMA)
  - d. Chartered Global Management Accountant (CGMA)
  - e. Certified Information Systems Auditor (CISA)
  - f. Certified Internal Auditor (CIA)
  - g. Other – provide name of credential \_\_\_\_\_
  - h. None
  
6. Which of the following educational credentials do you hold? Select all that apply.

- a. MBA
  - b. Masters degree (not MBA)
  - c. PhD
  - d. DBA
  - e. Ed.D.
  - f. Other – specify\_\_\_\_\_
7. What is your opinion about the importance of an accounting professor being a CPA (with their license in either active or inactive status)?
- a. Important
  - b. Unimportant
  - c. Undecided/neutral
8. What is your opinion about the importance of an accounting professor holding a professional accounting credential other than a CPA?
- a. Important
  - b. Unimportant
  - c. Undecided/neutral
9. What is your opinion about the importance of an accounting professor holding a doctoral degree?
- a. Important
  - b. Unimportant
  - c. Undecided/neutral
10. Do you believe that accounting students think it is important for an accounting faculty member to have CPA (with their license in either active or inactive status)?
- a. Yes
  - b. No
11. Do you believe that accounting students think it is important for an accounting faculty member to have professional accounting credential(s) other than a CPA?
- a. Yes
  - b. No
12. Do you believe that accounting students think it is important for an accounting faculty member to have a doctoral degree?
- a. Yes
  - b. No
13. Do you believe that possessing professional accounting credential(s) is important to your higher educational institution employer?
- a. Yes
  - b. No

Table 1

*New Jersey State Colleges and Universities*

Institutions	Business Program Specialized Accreditation	Carneige Classification
<u>Public Research Universities</u>		
New Jersey Institute of Technology	AACSB	Doctoral Universities: Higher Research Activity
Rowan University	AACSB	Doctoral Universities: Moderate Research Activities
Rutgers, The State University of New Jersey	AACSB	Rutgers New Brunswick - Doctoral Universities: Highest Research Activity Rutgers Newark - Doctoral Universities: Higher Research Activity Rutgers Camden - Master's Colleges & Universities: Larger Programs
<u>State Colleges and Universities</u>		
Kean University	none	Master's Colleges & Universities: Larger Programs
Montclair State University	AACSB	Doctoral Universities: Moderate Research Activity
New Jersey City University	ACBSP	Master's Colleges & Universities: Larger Programs
Ramapo College of New Jersey	AACSB	Master's Colleges & Universities: Medium Programs
Stockton University	AACSB	Master's Colleges & Universities: Larger Programs
The College of New Jersey	AACSB	Master's Colleges & Universities: Larger Programs
William Paterson University	AACSB	Master's Colleges & Universities: Larger Programs
<u>Private Not-for-profit Colleges and Universities</u>		
Fairleigh Dickinson University	AACSB	Master's Colleges and Universities: Larger Programs
Georgian Court University	ACBSP	Master's Colleges and Universities: Medium Programs
Monmouth University	AACSB	Master's Colleges and Universities: Larger Programs
Rider University (a)	AACSB	Master's Colleges and Universities: Larger Programs
Saint Peter's University	IACBE	Master's Colleges and Universities: Larger Programs
Seton Hall University (a)	AACSB	Doctoral Universities: Moderate Research Activity
Stevens Institute of Technology	AACSB	Doctoral Universities: Higher Research Activity

(a)AACSB Accounting Accreditation as well.

<https://www.njit.edu/>; <http://www.rowan.edu/>; <https://www.rutgers.edu/>; <http://www.kean.edu/>;  
<http://www.montclair.edu/>; <http://www.njcu.edu/>; <https://www.ramapo.edu/>; <https://stockton.edu/>;  
<https://tcnj.pages.tcnj.edu/>; <http://www.wpunj.edu/>; <http://www.fdu.edu/>; <https://georgian.edu/>  
<https://www.monmouth.edu/university.aspx>; <https://www.rider.edu/>; <https://www.saintpeters.edu/>  
<http://www.shu.edu/>; <https://www.stevens.edu/>



Table 2

Respondents' Credentials

Type of Credential	Number of Respondents	Other Professional Accounting Credentials									
		No. People Holding	No. Credentials Held	CMA	CGMA	CGFM	CFE	CFF	ACCA	CISA	OTHER
CPA only	16	3	6	3	1	1					1
CPA and Law Degree	5	1	1		1						
CPA and Doctorate	13	8	17	2	5		4	2		1	2
Doctorate only	8	4	4	2		1			1		1
Neither CPA nor Doctorate	1	0	0								
Total	43	16	28	7	7	2	4	2	1	1	4

Note: The OTHER category includes CIA, CFSA, PFS, and CFM.

Table 3

*Description of Non-CPA Professional Credentials*

Credential	Full Name	Issuing Body	Area of Knowledge
CIA	Certified Internal Auditor	The Institute of Internal Auditors	Audit and internal control
CISA	Certified Information Systems Auditor	The American National Standard Institute	Enhanced knowledge of IS audit controls
CMA	Certified Management Accountant	Institute of Management Accountants	Management accounting and finance
CGMA	Chartered Global Management Accountant	AICPA and Chartered Institute Management Accountants	Global management accounting and business
CGFM	Certified Government Financial Manager	Association of Government Accountants	Government financial matters
CFE	Certified Fraud Examiner	Association of Certified Fraud Examiners	Expertise in fraud prevention, detection, and deterrence
CFP	Certified in Financial Forensics	AICPA	Forensic accounting
CFM	Certified Financial Manager (Discontinued)	Institute of Management Accountants	Expertise in financial management
CFSA	Certified Financial Services Auditor	Institute of Internal Auditors	Internal audit in financial services industry
ACCA	Chartered Certified Accountant	Association of Chartered Certified Accountants	Global professional accounting
PFS	Personal Financial Specialist	AICPA	Expertise in personal finance

*Note* . From The Institute of Internal Auditors, 2016a; CMA, 2015; ISACA, 2018; Chartered Global Management Accountant, 2016; AGA, 2016; Association of Certified Fraud Examiners, 2016; CFM, 2018; American Institute of CPAs, 2016; The Institute of Internal Auditors, 2016b; The Global Body of Professional Accountants, 2016; AICPA, 2018.

Table 4

Panel A

*Opinion on Importance of an Accounting Professor Being a CPA*

Belief	Totals (n=43)	CPA, No Doctorate (n=16)	CPA and JD (n=5)	CPA and PHD/DBA (n=13)	PHD, No CPA (n=8)	No CPA/no PHD (n=1)
Important	81.4%	93.8%	80.0%	100.0%	37.5%	-
Unimportant	2.3%	-	-	-	12.5%	-
Undecided/Neutral	16.3%	6.3%	20.0%	-	50.0%	100.0%

Panel B

*Opinion on Importance of an Accounting Professor Having Doctorate*

Belief	Totals (n=43)	CPA, No Doctorate (n=16)	CPA and JD (n=5)	CPA and PHD/DBA (n=13)	PHD, No CPA (n=8)	No CPA/no PHD (n=1)
Important	51.2%	12.5%	60.0%	84.6%	75.0%	-
Unimportant	25.6%	43.8%	40.0%	-	12.5%	100.0%
Undecided/Neutral	23.3%	43.8%	-	15.4%	12.5%	-

Panel C

*Opinion on Importance of an Accounting Professor Holding a non-CPA Professional Certification*

Belief	Totals (n=43)	CPA, No Doctorate (n=16)	CPA and JD (n=5)	CPA and PHD/DBA (n=13)	PHD, No CPA (n=8)	No CPA/no PHD (n=1)
Important	46.5%	43.8%	40.0%	76.9%	12.5%	-
Unimportant	20.9%	25.0%	20.0%	7.7%	25.0%	100.0%
Undecided/Neutral	32.6%	31.3%	40.0%	15.4%	62.5%	-

Table 5

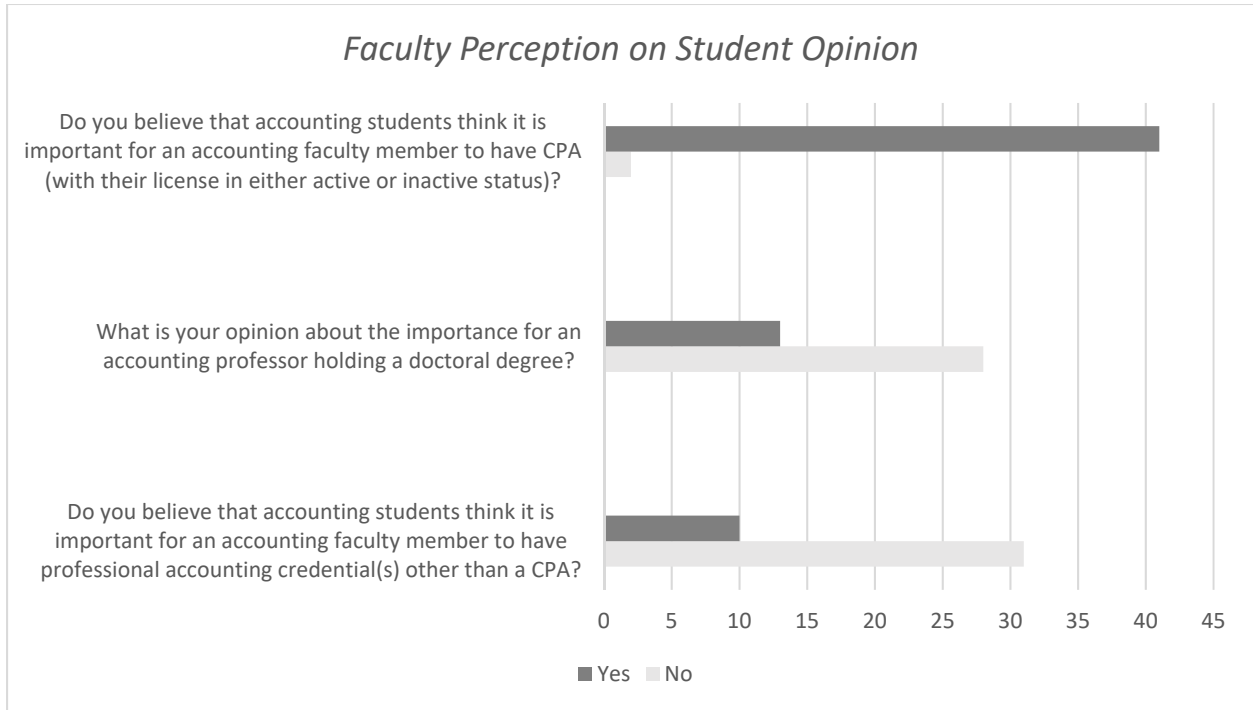


Table 6

*Academic and Professional Accounting Credentials of Faculty  
At New Jersey Public and Private Not-for-profit Institutions that Offer Undergraduate Accounting Programs  
As Displayed on Website Profiles*

	Faculty at All Institutions		Faculty at Public Research Universities (n=56)		Faculty at State Colleges/ Universities (n=50)		Faculty at Private Colleges/ Universities (n=48)	
	Number	%	Number	%	Number	%	Number	%
PHD or DBA	102	66.2%	42	75.0%	28	56.0%	32	66.7%
Other Doctorate	7	4.5%	1	1.8%	3	6.0%	3	6.3%
Law Degree	16	10.4%	4	7.1%	7	14.0%	5	10.4%
CPA	56	36.4%	15	26.8%	23	46.0%	18	37.5%
Other Professional Accounting Credential	39	25.3%	9	16.1%	13	26.0%	17	35.4%